Return to Tasking Memorandum

Attachment (1) to Tasking Memorandum, Subject: Call for Nominations, 2000 DoD VE Awards

Value Engineering Process Owners/POCs

DCMDE:
Mr. Ross London
Phone: (617) 753-4244; DSN 955-4244
E-Mail: rlondon@dcmde.dla.mil

DCMDW:
Mr. Kevin Kaboli
Phone: (310) 900-6562
E-Mail: kkaboli@dcmdw.dla.mil

DCMDI:
Mr. Robert Posthumus
Phone: (703) 767-2793
E-Mail: robert_posthumus@hq.dla.mil

Return to Tasking Memorandum

Attachment (2) to Tasking Memorandum, Subject: Call for Nominations, 2000 DoD VE Awards

General Guidance

I. Purpose

The Department of Defense (DoD) Value Engineering (VE) Achievement awards are intended to stimulate Value Engineering activity for the purpose of reducing costs, improving quality, enhancing effectiveness, and increasing efficiency throughout the DoD.

II. Applicability & Scope

DoD Value Engineering Achievement awards apply to all DoD Components.

III. Policy

The DoD Value Engineering Achievement Awards program is designed to honor those who made a significant Value Engineering contribution within the last fiscal year. There are seven award categories: (1) DoD program management; (2) DoD individual/team (military and/or civilian); (3) Value Engineering professional; (4) procurement/contract administration; (5) field command; (6) installation; and (7) DoD contractor. In order to stimulate new Value Engineering activity, award winners will not be eligible the following year or for multiple awards the same year.

IV. Criteria

Award selection considerations include: net savings; savings as a percent of the affected budget; product, process, or service improvement; Value Engineering program growth; leadership; innovation; scope of potential applicability; uniqueness of idea; cross-functional and/or inter-agency teaming; integration with other improvement initiatives/activities; and new Value Engineering activity.

V. Procedure

A. Annually, each DoD Component may submit multiple nominees (up to three) for each of the seven categories 60 days after the end of the fiscal year. The list of nominees will be submitted to the Under Secretary of Defense (Acquisition & Technology). Each nominee must have met the appropriate criteria in paragraph IV above. Each nominee will be supported by a fact sheet. An award letter will be drafted from the fact sheet by the appropriate DoD Component Value Engineering focal point upon selection.

B. The nominees will be reviewed by the DoD Value Engineering Quality Management Board (QMB) that consists of the Value engineering program managers from the Office of the Secretary of Defense (OSD) and each Component. The QMB will present their recommendations to the DoD Value Engineering Executive Steering Group (ESG) that is chaired by the Director, Test, Systems Engineering, & Evaluation, and consists of senior executives from each Component.

C. The ESG will select award winners in each category for each DoD Component.

D. The awards will be presented by the Deputy Secretary of Defense or other flag rank representative of OSD at the Pentagon in the presence of appropriate senior executives of the Component. Awards to field commands and installations will be presented to the Commander. Awards to contractors will be presented to an executive representing the company. Each winner will receive a letter and a plaque. In addition, winning field commands, installations, and contractors will receive a Value Engineering pennant.

Standard Categories

1. **Program Manager/Program Management Office**. Military or civilian personnel who:

   a. working in a systems acquisition command, are either a system program manager or members of a system program management office; or

   b. Working in the Defense Logistics Agency (DLA) or a facilities engineering command are Value engineering program managers or members of a VE program management office in support of a specific system, program, or project.

   And have made a noteworthy contribution to the implementation/application of Value Engineering to areas under their cognizance.

2. **Procuring Contracting Office/Administrative Contracting Office**. Military or civilian personnel who:

   a. are either a procuring contracting officer/specialist or a member of a procuring contracting office such as a contract negotiator; or

   b. are either an administrative contracting officer/specialist or a member of an administrative contracting office such as a Quality Assurance Representative (QAR), production specialist, auditor, etc.

   And have made a noteworthy contribution to the implementation/application of Value Engineering to areas under their cognizance.

3. **Value Engineering Professional**. Military or DoD civilian personnel who:

   a. have as their primary duty the management of a Value Engineering program in a systems command or Defense Agency; or

   b. have as their primary duty the performance of Value Engineering methodology based studies on systems, facilities engineering projects, or logistics/supply projects. A Certified Value Specialist (CVS) or other professional value management certification is desired but not necessary to qualify as a VE Professional.

   And have made a noteworthy contribution to the implementation/application of Value Engineering to areas under their cognizance.

4. **Individual or a Team of Individuals**. Military or civilian personnel who:

   a. are members of a DoD organization in the areas of engineering, logistics/supply support, testing, budget management, planning, etc.; and

   b. do not have as a primary duty, the management or performance of Value Engineering; and

   c. are not members of a Procurement Contracting Officer/Administrative Contracting Officer (PCO/ACO) organization.

   And have made a noteworthy contribution to the implementation/application of Value Engineering to areas under their cognizance.

Standard Categories (continued)

5. **Field Command**. A major systems acquisition command, facilities engineering command, logistics/supply support command, or operational command that may be a "Headquarters," that has made a noteworthy contribution to the application/implementation of Value Engineering to areas under their cognizance.

Examples of Field Commands are:

As related to Hq Army Materiel Command
- TACOM - Tank & Automotive Command
- MICOM - Missile Command
- IOC - Industrial Operations Command

As related to U.S. Army Corps of Engineers
- South Atlantic Division

Navy
- Naval Air Systems Command
- Naval Facilities Command

As related to Hq Defense Logistics Agency
- DSCR - Defense Supply Center Richmond

6. **Installation**. An organization that is a subordinate or a sub-echelon to the above defined Field Commands that has made a noteworthy contribution to the application/ implementation of Value Engineering to areas under its cognizance.

Examples of Installations are:

As related to Hq Army Industrial Operations Command
- Anniston Army Depot
- Rock Island Arsenal
- Iowa Army Ammunition Plant

As related to U.S. Army Corps of Engineers
- Savannah District

As related to Hq Naval Air Systems Command
- Naval Air Warfare Center, Aircraft Division
- Naval Air Warfare Center, Weapons Division
- Naval Air Depot, Jacksonville

As related to Hq Defense Logistics Agency
- Defense Logistics Information Services

7. **Contractor**. A DoD contractor or subcontractor that has made a noteworthy contribution to the implementation/application of Value Engineering to areas under their cognizance.

Guidance for Special Award Nominations

These special awards recognize outstanding DoD initiated Value Engineering Proposals (VEPs) or contractor submitted Value Engineering Change Proposals (VECPs) which demonstrate innovative approaches and applications and expand the benefits of Value Engineering beyond traditional hardware and construction cost reduction scope (i.e., improvements in: software, environmental concerns, energy conservation, organization/process/service improvements, performance, reliability, other quality improvements, etc.). The special awards will be competitive among Services and Defense Agencies. VEPs/VECPs worthy of this special recognition may be drawn from those approved and implemented during the last five fiscal years.

Description of VEP or VECP

? **Descriptive Title**

? **Identifying Number**

? DoD Sponsor Organization

? Contractor (as appropriate)

? Dates of Approval and Implementation

? **Before and After Description**

? **Savings/Cost Avoidances** - net savings to DoD (and contractor if appropriate); cost of development, testing, implementation, etc.

? **Benefits other than Cost Reduction** - improving: product, process, service; performance; reliability; maintainability; operability; effectiveness; efficiency; cycle time reduction, environmental protection/conservation/restoration, energy conservation, safety, etc.

? **Unique/Unusual Application** - software, environmental problems, organization, process, service, etc.

? **Unique/Unusual Approach** - innovation; proactivity; cross-functional or inter-agency teaming; integration/support of other improvement initiatives/activities, etc.

Reference - questions about nomination

? Name

? Title

? Organization

? Telephone #

Fact Sheet Guidance

Submitting Activity:

Year:

Category:

Nominee:

? Name

? Title

? Social Security # (for individuals & team-members)

? Location (for field commands, installations, & contractors)

? Mailing Address

? Telephone #

Reference: (questions about nomination)

? Name

? Title

? Telephone #

Description of Achievement:

? Savings/Cost Avoidances - Identify; net 3-year savings (current fiscal year's actual savings and two subsequent years projected savings); savings as % of reporting activity budget; and return on VE investment. How were savings validated? Are there documented case files?

? Product/Process/Service Improvement - Description may include but is not limited to: customer satisfaction; quality; performance; reliability; maintainability; operation & support savings; effectiveness; efficiency; and/or cycle time reduction.

? VE Program Management - Description may include but is not limited to: leadership; program growth; new activity; institutionalization of VE application/methodology; scope of potential application; innovation; proactivity; cross-functional or inter-agency teaming; and/or integration/support of other improvement initiatives/activities.

? Summary of Significant VEPs/VECPs

? Succinctly (no more than one page for each) describe up to three VEPs/VECPs associated with the nominee. Include identifying number, title, description, net cost savings/avoidances to DoD, and other benefits.

Example Fact Sheet: Individuals or Small Teams

Submitting Activity: U.S. Army

FISCAL YEAR:

Category: Value Engineering Professional

Nominee:

Mr./Mrs. _____
Program Manager, Value Engineering
SSN:
U.S. Army Armament, Munitions and Chemical Command
Rock Island, IL 61299-6000
Telephone: (DSN) _____ or Commercial _____

Reference — POC for questions about nomination:

Mr./Mrs. _____
Director, Value Management Study Directorate
Telephone: (DSN) _____ or Commercial _____

Description of Achievement:

Savings/Cost Avoidances

? AMCCOM reported netthree year savings of $63 million.

? Value Engineering (VE) savings were 1.92 percent of reporting activity procurement budget.

? Value Engineering Return on Investment for VECPs 8:1: for VEPs 20:1

? Value Engineering Change Proposal (VECP) savings are validated through actual contract modifications/settlement and future documentation. Value Engineering Proposal (VEP) savings are documented by verifying that deobligated funds saved are available for reapplication, or programmed funds are not longer required for original purpose.

? Documented files are available in the VE office.

Example Fact Sheet: Individuals or Small Teams (continued)

Product/Process/Service Improvement

Effective policy and innovation management instituted by Mr./Mrs. _____.

Contractor is now invited to CCB if disapproval is expected. This opportunity to provide new, previously omitted additional facts or data by the contractor has resulted in increased customer satisfaction.

? Support maintenance of VECP computer program to provide input for contract settlements.

? 59 percent reduction in processing time for contractual settlement of VECPs in two years.

? Mr./Mrs. _____ promoted VE at Government-owned contractor-operated plants by hosting a VE conference. A proactive and enthusiastic approach to the VE program was evident in his/her presentations at the conference

VE Program Management

? Obtained funding for Haystack, an information handling system to ensure the video application of VE changes. The system provides a tremendous increase in the scope of applicability of VE changes.

? Sponsored a proposed Federal Acquisition Regulation (FAR) Deviation to recognize and encourage Preliminary Value Engineering Change Proposals (PVECPs).

? Mr./Mrs. _____ campaigned for the change to report VEP savings for a three year period (similar to the treatment of VECPs). He/she felt strongly that the change was needed and Value Engineering personnel from our subordinate installations were appreciative of the change.

? Mr./Mrs. _____ participated in the U.S. Army Material Command's (AMC) Process Action Team (PAT). The PAT developed a vision statement and initiated development of strategic objectives. He/she has supported the PAT since its inception by membership and providing personnel to complete and staff PAT actions.

Additional Pertinent Information

? This outstanding savings performance ($63 million) was the result of the acceptance of 60 VECPs and 166 VEPS.

Summary of Significant VEPs/VECPS

Watervliet Arsenal VEP W3A8001
Change: RC/MAS Breech Life Extension

Prior to VE Study: 155mm M185 breech mechanisms with less than 500 effective full charge (EFC) rounds remaining were disposed of IAW condemnation criteria.

Following VE Study: Watervliet Arsenal (WVA) was able to revise established criteria and recertify many breeches for re-use beyond the previously established condemnation levels in lieu of disposing of old breeches and manufacturing new ones. Effort resulted in first year savings to the government of $872K.

Example Fact Sheet: Individuals or Small Teams (continued)

Badger Army Ammunities Plant VECP GFG-048
Olin Corporation
Change: Purchase and Install Nitroglycerin Through

Prior to VE: The Modernization Scope of Work (SOW) for project 5892782 called for replacing plastic lines wood troughs with new fiberglass troughs in the Nitroglycerin facility to provide access and reliability.

Following Value Engineering Working with local fabricators and contractors, an alternative design, using stainless steel vs fiberglass was developed. After completing a hazard analysis, bids were obtained with showed the system proposed by the VECP would safely perform the required function at about one third of the cost of
the original design. Effort resulted in savings to the government of $500K.

Production Based Modernization Activity (PBMA) Value Engineering Study
Biological Wastewater Treatment Plant

Prior to Value Engineering Major facility improvements were required to increase the capacity of the existing biological wastewater treatment plant at Radford Army Ammunition plant to meet local and national regulations. The capacity had to be increased to treat an overage flow of 1.38 million gallons per day. The estimated cost was nearly 150% of projected program for the facility.

Following VE: The design was provided to a VE consultant under contract. The VE study resulted in changes that reduced the cost of the facility of $1,135,374. One of the changes, the deletion of two Rotating Biological Contractors (RBC) trains, resulted in validated savings of $838,900.

Example Fact Sheet: Organizations

Submitting Activity: U.S. Army

FISCAL YEAR:

Category: Field Command

Nominee: U.S. Army Missile Command

Major General _____
Commander
U.S. Army Missile Command
Redstone Arsenal, AL 35898-5000
Telephone: (DSN) _____ or Commercial _____

Reference: (questions about nomination)

Mr./Mrs. _____
Program Manager, Value Engineering
Telephone: (DSN) _____ or Commercial _____

Description of Achievement:

Savings/Cost Avoidances

? The U.S. Army Missile Command (MICOM) achieved netthree year savings of $198.3 million.

? Value Engineering Change Proposals (VECPs) savings were validated through the contract modification/settlement process.

? Value Engineering Proposal (VEPs) savings were validated by appropriate budget officials with deobligated funds made available for reapplication, and programmed funds deleted as no longer required for their original purpose.

? The information relating to savings as percent of reporting activity budget, and the return on the Value Engineering investment is as follows: _____.

? All Value Engineering actions have been properly documented and are on file in the Value Engineering office.

Product/Process/Service Improvement

? Sixty-nine VEPs were implemented during Fiscal Year _____.

? Twenty-five VECPs were implemented during Fiscal Year _____.

? VECP average processing time was 160 days well under 220-day target.

Value Engineering Program Management

? MICOM utilized an aggressive goal setting policy.

? Despite a reduction in Total Obligation Authority, MICOM's goal was increased by 16 percent to $60 million, $18 million higher than any other AMC major subordinate command

? MICOM Value Engineering personnel collaborated with the U.S. Army Simulation, Training, and Instrumentation Command, the U.S. Army Communications-Electronics Command, the U.S. Army Armament, Munitions and Chemical Command, and the U.S. Army Tank-Automotive Command to identify and pursue Value Engineering opportunities.

? Three hundred MICOM employees were trained in various aspects of Value Engineering.

Summary of Significant VEPs/VECPS

For no less than four VEPs/VECPs identified by number/title contractor, in-house organization, provide a before Value Engineering; and after Value Engineering paragraph succinctly describing the change and its benefits (approximately 15-20 lines per individual summary).

See Example for Value Engineering Professional to Structure Summary

Example Fact Sheet: Contractors

Submitting Activity: U.S. Army

FISCAL YEAR:

Category: DoD Contractor

Nominee: U.S. Army Missile Command

Mr./Mrs. _____

Program manger, Tactical Missiles
XYZ Defense and Space Group
Missile and Space Division
499 ABC Boulevard
Huntsville, AL 35824
Telephone: Commercial _____

Reference: (questions about nomination)

Mr./Mrs. _____
Program Manager, Value Engineering
Telephone: (DSN) _____ or Commercial _____

Description of Achievement:

Savings/Cost Avoidances

? XYZ VECPs saved $2.3 million in FY ___, net to the Army.

Value Engineering Program Management

? XYZ Group teamed with MICOM and subcontractors to conduct Value Engineering workshops.

? Value Engineering workshops conducted a major subcontractor facilities.

? Executive steering committees convened to obtain project office input.

? Proactive conduct of Value Engineering workshops was the key to cost reduction and functional improvement.

? XYZ Group has proven its dedication to Value Engineering bysupplying guest speakers at Army sponsored Value Engineering Executive Services designed to expand contractor participation in Value Engineering Program.

Summary of Significant VECPS

Identify VECP(s) by number, title, etc., and summarize in a Before Value Engineering After Value Engineering paragraph describing the change and its benefits (approximately 15-20 lines per VECP summary).

See Example for Value Engineering Professional to Structure Summary

Scoresheet

Service:_____

Category:_____

Nominee:_____

SCORE

Public Relations/Promotional Value (0-10) ..... _____

Savings/Cost Avoidance (0-30) ..... _____

- ? Net 3-year Savings (current fiscal year's actual savings and two subsequentyears projected savings)
- ? % of Reporting Activity Budget
- ? Return on Value Engineering investment

Product/Process/Service Improvement (0-30) ..... _____

- ? Quality/Customer Satisfaction
- ? Performance
- ? Reliability
- ? Maintainability
- ? Effectiveness
- ? Efficiency
- ? Cycle Time

Value Engineering Program Management (0-30) ..... _____

- ? Leadership
- ? Program Growth
- ? New Activity
- ? Institutionalization of Application/Methodology
- ? Scope of Potential Applicability
- ? Innovation
- ? Proactivity
- ? Cross-functional or Inter-agency Teaming
- ? Integration/Support of Other Improvement Initiatives/Activities

TOTAL SCORE (0-100) ..... _____

Evaluator:_____